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EXECUTIVE OFFICE OF THE PRESIDENT  
 OFFICE OF THE DIRECTOR FOR MUTUAL SECURITY  
 WASHINGTON 25, D. C.

24 January 1952

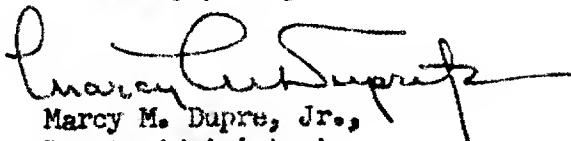
Mr. James S. Lay, Jr.,  
 Executive Secretary,  
 National Security Council,  
 Washington 25, D. C.

Dear Mr. Lay:

I am enclosing herewith, for the information of the National Security Council, a copy of a Memorandum of Agreement which sets forth the manner in which the State Department and the Administrator of the Mutual Defense Assistance Control Act (Battle Act) will discharge their several responsibilities so far as NSC 104/2 is concerned.

It is suggested that the National Security Council may wish to note this Memorandum of Agreement.

Sincerely yours,

  
 Marcy M. Dupre, Jr.,  
 Deputy Administrator  
 for MDAC

Enclosure

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## MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

**Subject:** Memorandum of Agreement between the Secretary of State and the Administrator of the Mutual Defense Assistance Control Act Concerning Responsibilities for Economic Defense

**References:**

- A. NSC 104/2.
- B. Memo from the President dated November 6, 1951 for Executive Secretary of NSC, "Assignment of Responsibilities for Economic Defense".
- C. Letter of November 1, 1951, from Director of Mutual Security establishing Mutual Trade Security Advisory Committee.
- D. Memo of December 10, 1951, for Mr. Bohlen and General Roberts from Executive Secretary of NSC, "Arrangements with Respect to the Remaining Projects of the Special Committee on East-West Trade".

In a memorandum of November 6, 1951 (Reference B), the President directed that the Secretary of State continue to carry out his responsibilities under NSC 104/2 except as modified by the provisions of the Mutual Defense Assistance Control Act (Battle Act). He further directed that the Secretary of State, in carrying out his responsibilities under NSC 104/2, and the Director for Mutual Security, in executing his responsibilities under the Battle Act, should establish and maintain arrangements which will assure the effective accomplishment of their respective duties.

The Director for Mutual Security (and "Administrator" of the Battle Act), upon taking office, established on November 1, 1951, a Mutual Trade Security Advisory Committee to assist in carrying out the provisions of the Battle Act and to advise him on related matters. Standing members of this Committee are the Departments of Commerce, Defense, State and Treasury, the Office of Defense Mobilization, the Mutual Security Agency, the Central Intelligence Agency and the Office of the Administrator of the Battle Act.

The Administrator of the Battle Act will be concerned from time to time with various of the economic defense measures, programs, and policies coming within NSC 104/2 when dealing with specific mutual trade control problems. In view of this fact, it is agreed that the Secretary of State, in considering possible alternative arrangements

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to help him in carrying out his responsibilities under NSC 104/2 will avail himself of the already existing facilities presented by the Mutual Trade Security Advisory Committee as the vehicle through which he will ordinarily undertake his coordinating and consulting responsibilities.

This arrangement is designed to avoid the establishment of another committee separate from, but parallel to, the Mutual Trade Security Advisory Committee, having, moreover, identical membership and possibly identical representation; yet discussing related and sometimes inseparable subjects. This arrangement should also facilitate the resolution of questions by making it possible to delineate agency responsibilities on the basis of present cooperative relationships.

It has been agreed also that the Committee Secretariat of the Department of State should continue to serve as the Secretariat for the Mutual Trade Security Advisory Committee.

It is understood, finally, that the Secretary of State and the Administrator of the Mutual Defense Assistance Control Act, after full and complete consideration of the views of the other member agencies of the Mutual Trade Security Advisory Committee and any other appropriate agencies, shall continue to take the action necessary to carry out their respective responsibilities under NSC 104/2 and Public Law 213. In cases where it is not clear whether primary responsibility lies with the Secretary of State or the Administrator of the Mutual Defense Assistance Control Act, the procedure for dealing with the problem will be mutually agreed between them. It is understood further that the foreign negotiating function relating to the administration of the Battle Act remains in the Department of State.

For the immediate future the remaining projects of the dissolved Special Committee on East-West Trade (Reference D) will be transferred to the Mutual Trade Security Advisory Committee.

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